

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2130 - SB 2122**

February 17, 2022

**SUMMARY OF BILL:** Specifies the powers that the State Funding Board (SFB) and State Treasurer (Treasurer) may exercise with respect to the local government investment pool (LGIP).

**FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The proposed legislation authorizes the SFB to:
  - Terminate the LGIP in the event that the fund is financially infeasible or is not beneficial to the local governments or the state itself;
  - Liquidate some or all participant accounts upon a partial or total fund suspension or termination;
  - Determine the valuation method applied to the LGIP; and
  - Suspend accepting deposits from some or all of the pool participants.
- The Comptroller of the Treasury's Division of State Government Finance serves as staff to the SFB and will be able to handle an increase in SFB agenda items using existing staff and resources resulting in a not significant impact to state government.
- The proposed legislation authorizes the Treasurer to:
  - Approve each participant's application and agreement to participate in the LGIP;
  - Contract with accountants, auditors, investment advisors, attorneys and other professionals for performance reporting and effective administration;
  - Establish shares, accounts, subaccounts, different classes of shares and restricted accounts within the LGIP; and
  - Expend the reasonable charge deducted from each participant's account to pay for participant losses; operation of the pool; expenses, losses, shortfalls, deficits or deficiencies resulting from operational, accounting or administrative errors; administrative expenses; and any other expenses necessary and appropriate as determined by the State Treasurer.
- Additional authorities to the Treasurer for administration of the LGIP will have no fiscal impact to the Department of Treasury and, therefore, any fiscal impact to state or local government is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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